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FM AMEMBASSY MADRID

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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 04 MADRID 000934

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E.O. 12958: DECL: 04/16/2016

TAGS: PGOV SP

SUBJECT: SPAIN'S OPPOSITION POPULAR PARTY: LOSING THE
BATTLE WITH THE GOVERNMENT

REF: A. MADRID 765

IB. MADRID 783

Classified By: Ambassador Eduardo Aguirre for reasons 1.4 (b) and (d).

11. (U) Summary. Two years after it lost in the dramatic elections of March 14, 2004 -- three days after the March 11 terrorist attacks -- Spain's main opposition party, the Partido Popular (PP) finds itself outmaneuvered and either isolated with radical nationalists or forced to collaborate with the Socialist government of Jose Luis Rodriguez Zapatero on the most important issues of Spanish domestic politics. Even when the governing PSOE (Socialist) party was losing ground in opinion polls, the statistics did not reflect any increase in popularity for the PP, only a fall in the government approval rating because of uncertainty about regional questions in Catalonia and the Basque Country. The recent ceasefire announcement by the Basque terrorist group ETA has raised the government's poll ratings significantly, and marks a monumental inflection point for the PP in its search for the critical swing votes at the center of the political spectrum. A combination of leadership and message problems has kept the PP from capturing the imagination of the Spanish electorate, along with a consistent underestimation of the political skill of the Zapatero government. It may take an internal revolution in the party or a significant recalibration of strategy for the PP to come back in the immediate future. End summary.

No to Everything

12. (C) Since losing the March 2004 elections, the Partido Popular, led by Mariano Rajoy and his team of veterans from the government of Jose Maria Aznar, has struggled to make headway against the ruling Socialist Party (PSOE) and the government of Jose Luis Rodriguez Zapatero. Blaming the PP loss on the March 11 train bombings and the evil machinations of the Socialists, Embassy PP contacts have consistently seemed to think that their election loss was really a mistake, a massive "misunderstanding" on the part of the electorate, ignoring the very real issues voters disagreed with them on: the war in Iraq -- which 90% of Spaniards opposed -- and, importantly, the Aznar government's handling of the March 11 attacks. The party has spent the last two years trying to win support by harassing the Zapatero government on everything it does (including when it is cooperating with the USG).

13. (C) PP contacts have told us that their party strategy has been to attack the government at every turn. These attacks made ideological sense when the PP criticized the government on issues such as gay marriage, education reform (reducing the influence of the Catholic Church) or even in opposing GOS policy on Cuba and Venezuela. However, the PP also chose to

take the government to task over Spanish military presence in Afghanistan and the participation of the Spanish frigate Alvaro Basan in the US Theodore Roosevelt battle group in the Persian Gulf, policies of this government which support US goals. The PP's attacks on these policies were therefore inconsistent with their own stated aims.

The Hook

¶4. (U) According to numerous public opinion polls, the PP made little or no dent (beyond its own base) in the government's popularity with its attack strategy, until a truly divisive issue came about: the reform of the Catalan Autonomy Statute ("Estatut" in the Catalan language). As the Catalans tried to declare in the legal document defining their relations with Madrid that they constitute a "nation," many Spaniards wanted to know why the government seemed to be letting them pull out of the Spanish nation they supposedly already belonged to. In addition, the new Estatut was to give Catalonia broad fiscal independence, beyond what any other region of Spain had ever been granted. While the issue of the Estatut did not worry all Spaniards, enough were concerned that government approval ratings began to fall. This was exacerbated last autumn by floods of Sub-Saharan would-be immigrants charging Spanish borders at Ceuta and Melilla, as well as by speculation that the Socialist government was holding talks with Basque terrorist group ETA.

¶5. (U) The Estatut, immigration and terrorism concerns gave the PP the hook it needed to be able to craft a message that might help it benefit from the government's falling popularity. Rajoy, Catalan PP leader Josep Pique, and

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national leaders such as PP Secretary General Angel Acebes and Parliamentary Spokesman Eduardo Zaplana began speaking of national unity, equality for all Spaniards (in other words, no special privileges for Catalans and Basques), and joining together to put forth a strong face internationally (harkening back to the Aznar days, when the PP says Spain had more prestige both within the European Union as well as on the wider international stage). Nonetheless, while government popularity continued to fall, the PP did not pick up any support for itself with this message. And now, the ETA ceasefire has diminished public concerns about negotiating with the Basque group, and raised Zapatero's poll numbers substantially, by as much as eight percentage points in one poll.

¶6. (C) Interestingly, PP leaders do not seem persuaded of the need to change the message, influence the poll numbers or attract more swing voters. Zaplana told the Ambassador on March 29 that the PP base would likely carry the party in any future elections (once again reflecting the PP belief that the 2004 loss was a one-off fluke), and that it was important to take care of that base. In a meeting with the Ambassador, Acebes explained that the PP's platform was one of Spanish unity, stable public administration, and a solid economic plan. The PP claims repeatedly that this platform is one of principle, whose correctness will be recognized in time by the electorate. Meanwhile, it continues to paint a picture of gloom and doom for the country under the Zapatero, with Aznar claiming that the "Balkanization of Spain" is near, with an independent Catalonia and Basque Country. It is true that the message and apocalyptic image rally the PP base Zaplana spoke of, a base that is somewhat larger than PSOE's, and most non-PP Spaniards certainly do not want to see the break up of Spain. Nevertheless, the Socialists' poll numbers rise.

Leadership

¶7. (C) A key reason the PP was not able to capitalize on the

PSOE poll decline is its top leadership, with personalities ranging from lackluster to radioactive. The principal leaders of the PP were all close to former President Jose Maria Aznar, and are closely associated with the Aznar era. During the 2004 elections, before the March 11 attacks, association with Aznar was a positive, given the President's popularity. His former Vice President Mariano Rajoy was expected to sweep to victory as leader of the party. But since the attacks, the team has been tainted by the Aznar government's handling of the aftermath of the March 11 bombings, when it claimed that Basque terrorist group ETA was responsible and appeared to keep information on Islamist involvement from the public.

¶10. (C) Rajoy is generally considered a competent and intelligent leader, but not especially charismatic. Acebes, who was Interior Minister in March 2004, is viewed in a particularly negative light because of his direct involvement in the handling of the attacks. Zaplana is also closely identified with the Aznar legacy, and is often criticized for his very conservative stance on most issues (he recently commented in a congressional debate on Vice President Maria Teresa Fernandez de la Vega's wardrobe choices, to feminist indignation). (See reftel A for more on Acebes and Zaplana.)

¶19. (C) And then there is the ever-present former president, Jose Maria Aznar, who carries only a ceremonial title in the Partido Popular, but who casts his large shadow over everything the party does (see reftel B). After an extremely successful eight years in office, during which the Spanish economy flourished and Spain's standing in the world increased substantially, Aznar stepped down as party leader and appointed Mariano Rajoy his successor. Because of his success, he is still enormously admired within the party. When Aznar enters a room full of PP activists, a hush falls over the crowd. When Aznar walked into a book presentation for PP Parliamentarian (and self-proclaimed "shadow Foreign Minister") Gustavo de Aristegui's latest book, "Jihad in Spain," Aristegui gave a spontaneous speech on how Aznar had been his inspiration. In his first meeting with Ambassador Aguirre on December 15, 2005, Aznar claimed that he and his think tank FAES were careful not to interfere in national political battles; yet, in reality, at every opportunity, Aznar leverages his past influence (including his access to high-level USG officials) to affect current political discourse. And because of his cult status within the party ranks, the current leadership of the party has difficulty setting the course.

Underestimating the Enemy

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¶10. (C) All of the leaders of the PP machine -- Rajoy, Acebes, and Zaplana -- as well as former President Aznar speak of President Jose Luis Rodriguez Zapatero with scorn and condescension. Zaplana told the Ambassador that Zapatero is full of himself and has too much confidence in his ability to maneuver politically, particularly in an election campaign. Aznar called him "weak and vacillating" (reftel B).

¶11. (C) In reality, while the question of whether Zapatero's policies are intelligent or correct is certainly open for discussion, it is clear that the government has outmaneuvered the opposition on the two most controversial issues of this parliamentary session: the Catalan Statute and the future of ETA. Zapatero united at the last moment with the centrist Catalan nationalist party Convergencia i Unio, working all night with party leader Artur Mas to hammer out an accord agreeable to both sides and passable in Parliament. The PP opposed the agreement, leaving it isolated in Parliament with the ultra-nationalist Catalan party ERC, the only two parties to vote against the text.

¶12. (C) After the PP spent months accusing the government of

"negotiating with terrorists" by talking to ETA, the group announced a ceasefire, using some of the least demanding language ever seen in its communiquees. Polls indicate that swing voters are turning toward the government, and around 64% of Spaniards say the government should look into the possibility of peace negotiations and the PP should join in that effort. The PP has found itself obligated to cooperate with Zapatero in pursuit of peace, with little hope of political gain. If the ceasefire turns out to be permanent, the Zapatero government will get the credit for peace. Yet if ETA begins demanding too much in negotiations and the PP turns against the process, it could be blamed for the failure. This supposedly weak president has managed completely to isolate the more politically experienced opposition on both issues. And if, as post suspects, Zapatero manages to keep negotiations with ETA going until after the general elections expected in early 2008 (or if he succeeds outright in bringing peace through negotiation), he will be difficult to defeat, given the continued strength of the economy and the prospect of the end of ETA after almost 50 years of existence.

Revolution?

¶13. (C) Given the rigid structure of political parties in Spain, barring internal party revolution, it is nearly impossible for politicians to come to leadership in a party without working their way through the ranks and spending years paying homage to their elders. An internal PP revolution is not impossible, however: if the party continues to underestimate the governing party and fails to put forth a strategy to win votes, future election losses -- perhaps in 2008 -- will force radical change in the leadership. In such a case, certainly Acebes and Zaplana would have to depart center stage, and probably most of the former ministers from the Aznar government.

¶14. (C) There are several PP personalities who would be well-positioned in the event of such a revolution. They are slightly more centrist on social issues, solidly conservative on economic issues, with wide cross-over appeal to PSOE voters. All have extensive and successful experience in public administration.

--Alberto Ruiz-Gallardon: Consistently one of the most popular politicians in Spain, according to opinion polls, the mayor of Madrid has nonetheless not been in the inner circle within his own party, and is despised by the far right wing of the PP. He has challenged party orthodoxy on several occasions, supporting non-consensus candidates for leadership positions and criticizing his party's time in government. After Madrid lost its bid to host the Olympic Games in 2012, when several PP politicians outrageously blamed the loss on the PSOE government's deteriorated relationship with the United States, Gallardon -- who had spearheaded the bid -- commented, "If anyone is to blame, it is me. Don't let anyone place the responsibility anywhere else; I assume it all." In his speech at the PP national convention in March 2006, he proposed that his party look at the possibility of "neutralizing the radical discourse... that is taking over, and to reinvent it using a moderating message to reassure the citizens... We need to fight for the things we need to fight for, but we cannot let dogmatic attitudes carry us away to dogmatism. Our place is with the people, with their real

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concerns..." With statements such as these, Gallardon comes across to swing voters (and to many Socialists) as principled, rather than partisan. After eight years as President of the Madrid Region and now three years as mayor, he has extensive political and administrative experience. His controversial urban renewal plan for Madrid, which has caused great upheaval on the highways and in the subways of the city, is still a wildcard, as many Madrilenos (and Embassy

employees) spend hours in traffic jams around construction sites all over the city. If the work comes out well, however, the renewal of Madrid could be a strong positive for Gallardon's political ambitions.

--Francisco Camps: Camps, anointed by Eduardo Zaplana, followed in his footsteps to become President of the Generalitat Valenciana (Valencia Region) and regional PP president. Since he was elected in 2003, he has fallen out with his former mentor and worked hard to forge his own political identity, both within the Generalitat and nationally. After he worked across parties to agree on a the reform of the Valencia Regional Statute in 2005, he has become the PP poster child for bipartisan cooperation, the party's proof on the national stage that it really can work with the opposition party. Though still relatively young, his national stature has grown substantially, and he seems a good candidate to move into the PP national leadership in the event of a major shake-up.

--Esperanza Aguirre: President of the Madrid Region as well as regional PP president, Aguirre has been very close to the current PP inner circle (and a sworn enemy of Gallardon), serving as Aznar's Education Minister during his first term, and President of the Senate during his second. Nonetheless, she retains a wider base and, because of her regional experience, a certain distance that would likely allow her to take on a leadership role in the party in a time of change, despite her ties to the old guard. She describes herself as a "neoliberal," but has advocated a certain pragmatism on social issues when dealing with the Zapatero government, for example describing the PP leadership's insistence in taking the new gay marriage law to the constitutional court as "politically inopportune." Because of her extensive political experience and national stature, she could be good transition leader in a redirected Partido Popular.

¶15. (C) All three of these politicians are expected to re-win their positions in regional and municipal elections coming up in 2007, consolidating Madrid and Valencia as PP strongholds. The current PP leadership hopes these elections will give the party the push it needs nationally to win national elections in 2008. In the two years left before the elections, there may yet be surprises that would give the PP a real advantage: if ETA negotiations break down, or if the strong Spanish economy falters, the PP could find its chance to take votes away from Zapatero. With peace on the horizon and a strong economy, however, on their current trajectory Zapatero and PSOE look well-placed to win again, perhaps even with an increased majority. At that point, the PP would have to start looking at these regional leaders to take it in a new direction nationally.

AGUIRRE